



STATE OF MICHIGAN  
DEPARTMENT OF COMMUNITY HEALTH  
LANSING

JENNIFER M. GRANHOLM  
GOVERNOR

JANET OLSZEWSKI  
DIRECTOR

May 28, 2004

Ms. Angela Corbin  
CMS/CMSO/FCHPG/DSCHI  
Mail Stop S2-03-14  
7500 Security Blvd.  
Baltimore, Maryland 21244

Dear Ms. Corbin:

Please accept this document as a formal request to amend Michigan's HIFA Demonstration, approved by CMS on January 16, 2004. Due to unexpected growth, enrollment in the Demonstration program has far exceeded original estimates. In order to ensure that we can maintain Title XXI allotment neutrality and maintain our commitment to targeted low-income children in Michigan, we feel that we must act now to freeze all new enrollments in our HIFA Demonstration.

As outlined in our waiver application, initial estimates suggested that the Michigan Demonstration would provide health insurance coverage to an additional 62,000 residents of the State of Michigan with countable incomes at or below 35% of the federal poverty level. As of May 1, 2004 we have enrolled over 80,000 individuals into the Demonstration. As we have indicated throughout this process, we are strongly committed to preserving coverage for the targeted low-income children covered under our Title XXI State Plan. In order to protect this commitment, we will implement a temporary freeze on all enrollments into our Demonstration program effective July 1, 2004.

Prior to implementing the enrollment freeze, the State will engage in a public process including: the issuance of a policy bulletin to all providers 30 days prior to implementation, sending a letter to county health plans, and a public forum.

While an enrollment freeze may be seen as an unfortunate step, I believe that it speaks volumes about the success of the Demonstration and fundamentally supports increased state flexibility to cover non-traditional populations like childless adults.

Upon implementing the enrollment freeze the State will continue to monitor Demonstration and SCHIP enrollment and expenditures and will designate an open-enrollment period when it is determined that enrollment and allotment have reached sustainable levels.

I fully understand and appreciate from past experience that the waiver review process can be a lengthy and daunting task. However, given the commitment of both the State and Federal

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Governments to ensuring that children receive the health care coverage that is available to them,  
I request that an expedited review process be initiated for this amendment.

Sincerely,

Paul Reinhart, Director  
Medical Services Administration

cc: Hye Sun Lee, Region V  
Julie Greenway, Accountant-in-Charge